

ALASKA DEPARTMENT OF ADMINISTRATION UNDERSTANDING LABOR CONTRACTS



Presentation to
**House Finance
Committee**
May 8, 2015

DOA Commissioner Sheldon Fisher
DOA Deputy Comm. Leslie Ridle

Agenda

- Monetary Terms and Other Financial Terms
 - COLA
 - Merit and Pay Increments
- Bargaining
 - 101
 - Priorities
- Contracts Before the Legislature

BARGAINING UNITS (BU)

Contracts That Expired on June 30, 2014

Number of Employees

IBU – Inlandboatmens’ Union of the Pacific	624
MEBA - Marine Engineers Beneficial Association	94
MMP - Masters, Mates and Pilots	98

Contracts That Expire on June 30, 2015

ACOA - Alaska Correctional Officers Association	947
LTC - Public Employees, Local 71	1,690
TEAME – Teachers’ Education Association of Mt. Edgecumbe	29

Contracts That Expire on June 30, 2016

ASEA - Alaska State Employees Association	8,303
APEA - Alaska Public Employees Association	2,278
CEA - Confidential Employees Association	188

Contracts That Expire on June 30, 2017

AVTECTA - Alaska Vocational Technical Center Teachers	38
PSEA - Public Safety Employees Association	491

Non-Covered - Exempt, Partially Exempt and Excluded	1,378
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MONETARY TERMS

In addition to negotiated Cost of Living Adjustments, State employees receive:

- Merit Increases
 - Steps A-F (A-G for General Government Unit members) on the salary schedule;
 - Represent an increase of approximately 3.5% every year providing the employee's performance is considered "acceptable or better;"
 - Automatically awarded unless a proactive action is taken to deny the merit increase through a timely performance evaluation.
- Pay Increments
 - 3.25% increase awarded every two years providing the employee's performance is "acceptable or better;"
 - For administrative purposes, pay increments are designated as steps J and above on the salary schedule;
 - No limit as to how many pay increments an employee can earn.

MONETARY TERMS

Examples of other monetary terms found in State collective bargaining agreements

Marine Units

- Cost of living differential (COLD)
- Travel pay
- Training funding
- Pass privileges
- Non-watch pay

Correctional Officers

- Uniform allowance
- Duty station incentive pay (Spring Creek)
- Education incentive pay
- Prisoner transportation officer cert pay
- CDL Cert pay

Public Safety

- Uniform allowance
- State provided medical exams
- Pilot, diver, and canine pay

General Government Unit

- Sea duty pay
- Uniform provision
- Life, Travel, and Accident insurance
- Travel and per diem

Labor Trades and Crafts

- First Aid training
- Subsistence pay
- Tool allowance
- Bunkhouse and housing rentals

Mt. Edgecumbe Teachers

- Family night pay
- Activities and extracurricular pay

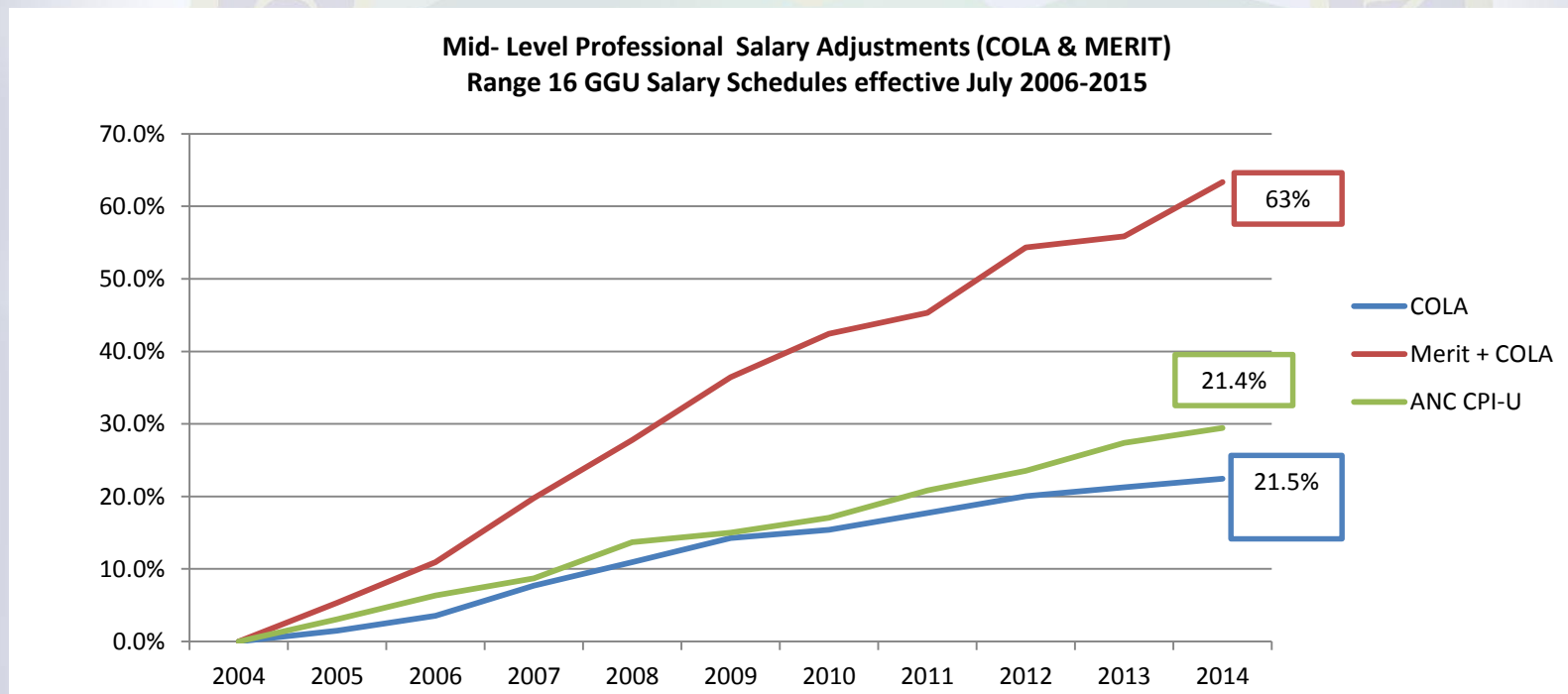
SAMPLE HISTORICAL COLAs & CPI COMPARISON

Year	CPI	Non-Covered	ACOA	ASEA	APEA	AVTECTA	CEA	IBU	LTC	MEBA	MMP	PSEA	TEAME
2006	3.2%	2%	4%	2%	2%	1%	2%	6%	2%	6%	6%	3%	3%
2007	2.2%	5.5%	3%	4%	5.5%	3%	4%	0%	5%	3%	3%	3%	3%
2008	4.6%	3%	3%	3%	3%	3%	3%	Lump	2/1%	Lump	Lump	5%	3%
2009	1.2%	3%	3%	3%	3%	2.5%	3%	5%	Lump	5%	5%	3%	0%
2010	1.8%	2%	3%	1%	2%	2.5%	2%	4%	2.5%	4%	4%	3%	0%
2011	3.2%	2%	3%	2%	2%	2%	2%	2%	2.5%	0%	0%	2%	1%
2012	2.1%	2%	2%	2%	2%	2%	2%	2%	2%	0%	0%	2%	2%
2013	1.5%	1%	2%	1%	1%	1%	1%	1%	1%	0%	0%	1%	1%
2014	1.6%	1%	2%	1%	1%	1%	1%	0%	1%	0%	0%	1%	1%
2015	1.6%*	2.5%	1%	2.5%	2.5%	1%	2.5%	1%	0%	1%	1%	1%	0%
Totals	23%	24%	24%	21.5%	24%	19%	22.5%	21%	18/17%	19%	19%	24%	14%

*Estimated CPI

BUILT-IN WAGE ESCALATION: COLA + LONGEVITY

Over 10 years, combined COLA + Longevity results in a **63%** increase in hourly wage
≠ promotion increases
(\$40,000 to \$65,000 over 10 Years)



AVERAGE YEARLY BASE SALARY FOR FY 14

	Yearly Average Pay*
ASEA - Alaska State Employees Association	\$57,972.36
APEA - Alaska Public Employees Association	\$83,854.08
CEA - Confidential Employees Association	\$58,917.96
AVTECTA - Alaska Vocational Technical Center Teachers	\$78,665.04
IBU – Inlandboatmens’ Union of the Pacific.....	\$52,820.04
MEBA - Marine Engineers Beneficial Association	\$73,417.44
MMP - Masters, Mates and Pilots	\$84,009.84
PSEA - Public Safety Employees Association	\$86,770.68 (AA), \$72,760.20 (AP)
ACOA - Alaska Correctional Officers Association	\$61,907.64
LTC - Public Employees, Local 71	\$54,851.88
TEAME – Teachers’ Education Association of Mt. Edgecumbe	\$64,038.60
 Non-Covered – Exempt, Partially Exempt and Excluded	 \$100,705.32

Average employee benefits percentage is approximately 50%

* Includes geographic differential

AA – Troopers, AP – Airport, Police and Fire Officers

SOURCE: Workforce and Unit Profiles, collected June 30, 2014

LEAVE BENEFITS

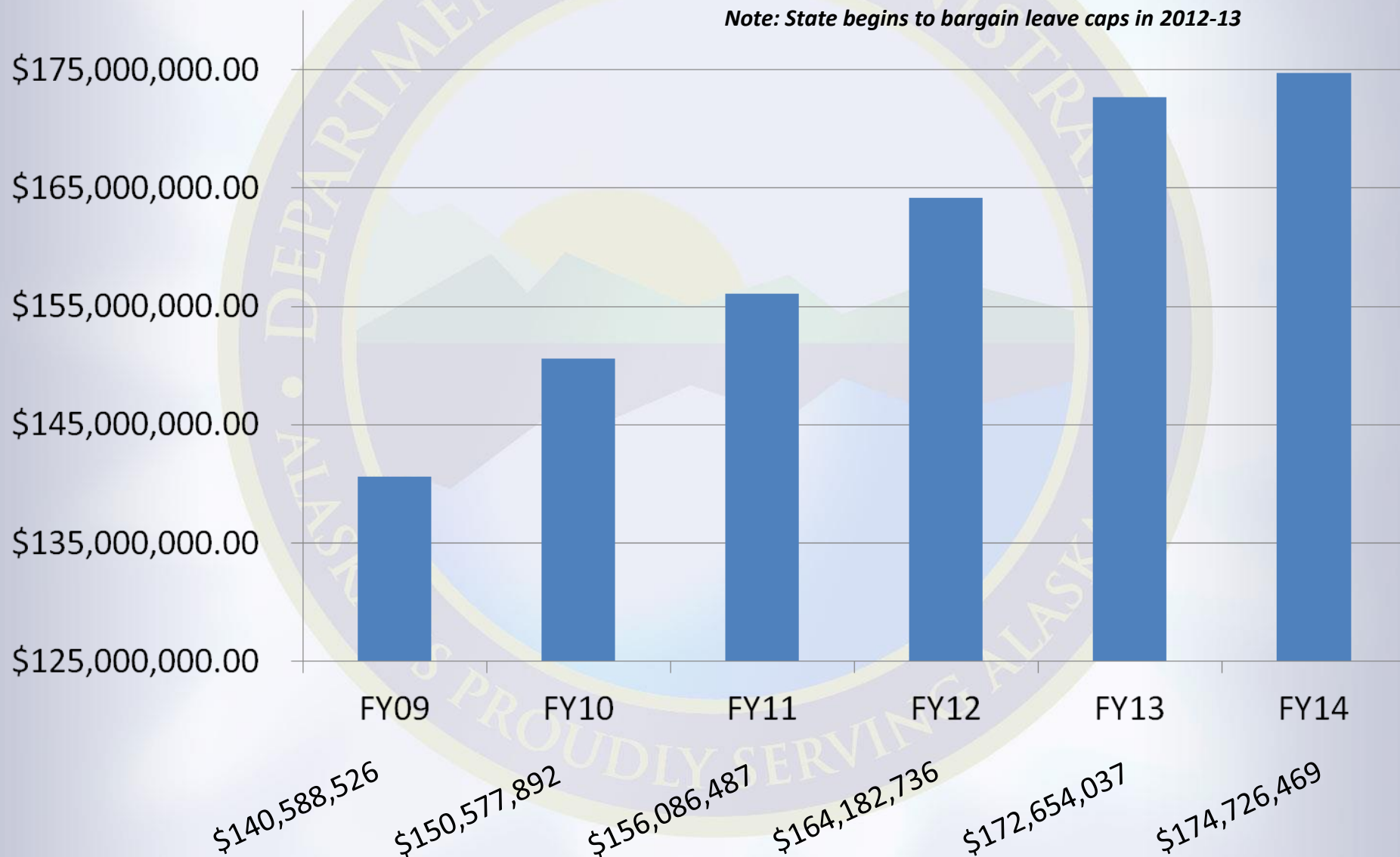
Beginning in 2012-2013 the State began to specifically address our increasing leave liability through bargaining. Inroads were made by:

- Reducing leave accrual for new employees
- Implementing cash-value leave for new GGU employees
- Increasing mandatory leave usage for all employees
- Implementing leave caps for each bargaining unit

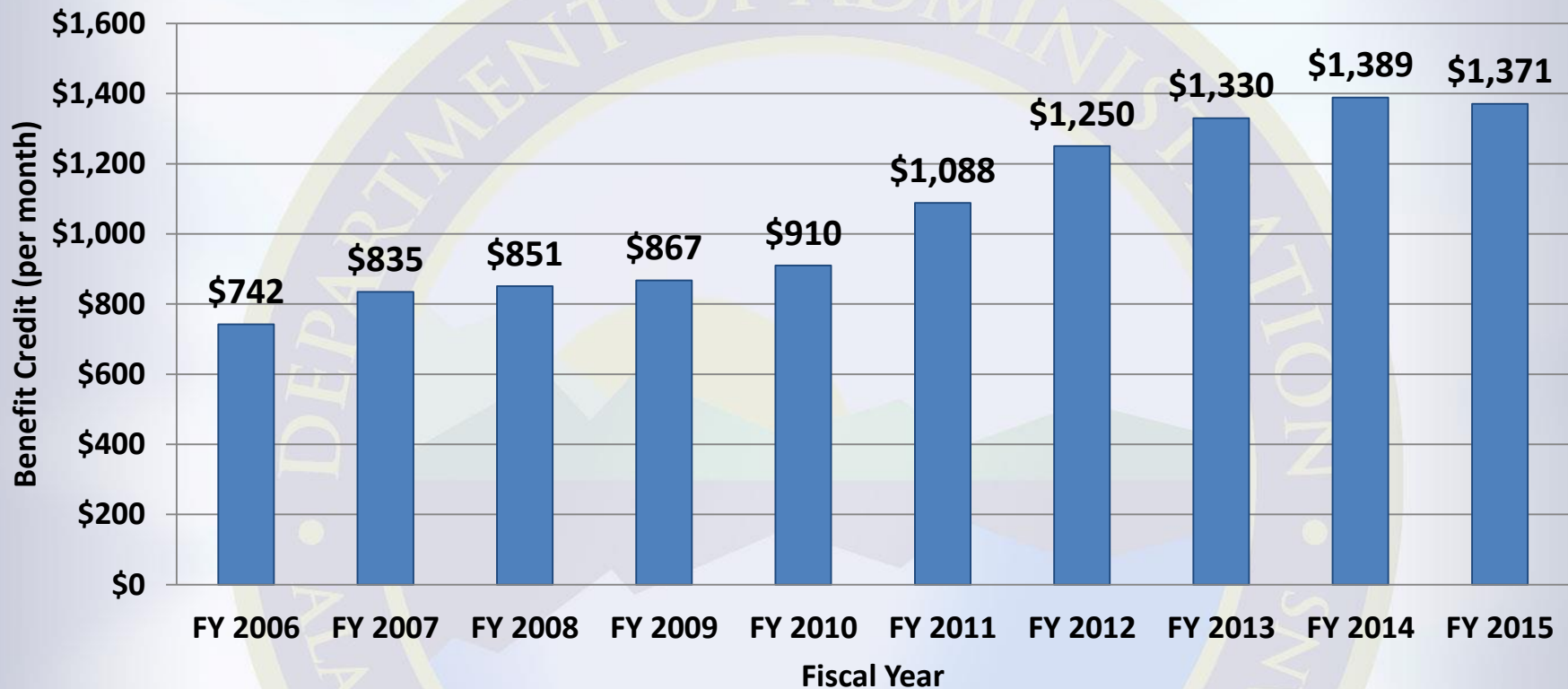
GROWING LEAVE LIABILITY

Total Leave Liability

Note: State begins to bargain leave caps in 2012-13



MONTHLY HEALTH INSURANCE BENEFIT CREDIT



- Average annual growth of 7%
- Almost doubled in 10 years
- Recent effort to proactively management of costs
- **FY 2015 -- beginning to bend the curve down**

DEPARTMENT OF ADMINISTRATION'S BARGAINING PRIORITIES AND CONCERNS

- Fiscally Prudent Monetary Terms
 - COLA
 - Step increases
 - Leave
 - Benefits (ex. health care)
- Operational Productivity Improvements
 - Managing overtime
 - Programs which improve employee productivity, ex. Lean
- Recruitment and Retention
- Voluntary, Balanced Agreements

BARGAINING 101

- Negotiations are mandated by the Public Employment Relations Act (AS 23.40.070-23.40.250).
- The State begins bargaining successor agreements between the months of October and December; this start date may be accelerated if both parties agree.
- Wages, hours and other terms and conditions of employment are mandatory subjects of bargaining.
- The State may, but is not required to, negotiate permissive subjects of bargaining.
 - Example: classification, benefits for retirees, representation of non-permanent employees
- Monetary terms of agreements must be submitted to the Legislature no later than the 60th day of the legislative session to receive consideration during that calendar year.
- If negotiations do not lead to agreement and mediation fails, employees (except protective service personnel) have the right to strike.
- Employees who are on strike do not get paid, but may not be terminated because they choose to lawfully strike.
- Striking employees may be replaced – either temporarily for the duration of the strike, or permanently under certain circumstances.

NEXT STEPS

- The Legislature decides whether to fund the monetary terms.
 - The monetary terms of a collective bargaining agreement are subject to funding by legislative appropriation. (AS 23.40.21)
 - If the Legislature fails to fund the monetary terms of an agreement, the next steps vary by bargaining unit and may be affected by whether a tentative agreement was reached with sufficient time to permit submittal by the 60th day of session.
- A contract submitted to the Legislature after the 60th day does not prevent the Legislature from either considering or funding the contract.
- If a union fails to ratify the agreement, then the funding is reduced proportionately, and we operate under status quo and return to negotiations.

STRIKING

AS § 23.40.200 specifies the three strike classes of public employees.

Strike Class 1

- This class is composed of police and fire protection employees, jail, prison and other correctional institution employees, and hospital employees.
- These employees may not strike.

Strike Class 2

- This class is composed of public utility, snow removal, sanitation and educational institution employees other than employees of a school district, a regional educational attendance area, or a state boarding school and AMHS vessel employees through the Alaska Labor Relations Agency decision.
- These employees may strike after mediation, subject to a vote (requiring a majority voting by secret ballot). The strike may only last for a limited time which is determined by the interests of the health, safety or welfare of the public.

Strike Class 3

- This class is composed of all other public employees who are not included in Strike Classes 1 or 2.
- These employees may strike if a majority of the employees in the collective bargaining unit vote by a secret ballot to do so.

STRIKE CLASSES

1 – Prohibited

2 – Limited Right

3 – Unlimited Right

N – Non-unionized position

Exceptions by Position's Department:

Dept of Public Safety = 1 for all positions

Exceptions by Position's Facility:

Adult Corr. Institutions = 1 for all positions

AK Pioneers' Homes = 1 for all positions

AK Psychiatric Institute = 1 for all positions

Juvenile Justice Youth Centers = 1 for all positions (except Soc Svcs Assoc and clerical positions that support a juvenile probation office collocated in a facility)

Exceptions by Position's Job Class:

Adult and Juvenile Probation Officers = 1 for all positions

Wildland Fire Dispatchers = 1 for all positions

Wildland Fire and Resource Technicians = 1 for all positions

Exceptions by a Combination of Elements:

Radio Dispatchers at Airports = 1

GP/GG positions in the Enterprise Technology Services division, Department of Administration, in the following job classes = 2

Data Communications Specialist, Data Processing Technician, Data Security Administrator, Data Security Specialist, Database Specialist, and Systems Programmer.

Strike Class by Bargaining Unit

Code	Unit	Strike Class
AA	PSEA Public Safety Officers	1
AP	PSEA Airport Police & Fire Officers	1
BB	MEBA Licensed Engineer Officers	2
CC	MM&P Deck Officers	2
EE	Executive Branch, Excluded Employees	N
GC	Correctional Officer Unit	1
GP/GG	General Government Unit	3 (with exceptions, see below)
GZ/GY	General Government Unit	1
KK	Confidential Employees Assoc	3 (with exceptions, see below)
LL	Labor, Trades, and Crafts Unit	3 (with exceptions, see below)
MM	IBU Unlicensed Marine Unit	2
NG	National Guard	N
RR	Retirees	N
SS	Supervisory Unit	3 (with exceptions, see below)
TA	AVTEC Teachers Assoc	2
TM	Teachers' Education Assoc of Mt. Edgecumbe	3
XA	Alaska Aerospace Corporation	N
XE	Partially Exempt and Exempt Exec Branch	N
XJ	Judicial Branch	N
XL	Legislative Branch	N

CONTRACTUAL TERMS

If the monetary terms of an agreement are rejected the following contractual provisions apply:

ASEA:	Re-enter negotiations for 10 days; if no agreement, Class 2 and Class 3 employees may take a strike vote
APEA:	Not required to enter negotiations; impasse exists and members may call for a strike vote
CEA:	Must re-enter negotiations upon demand by either party; negotiations last for 10 days but may be extended by mutual agreement; if no agreement, impasse exists and members may call for a strike vote
IBU:	Must re-enter negotiations within five days
MEBA:	Must re-enter negotiations immediately
MMP:	Must re-enter negotiations immediately
PSEA:	Upon written request, immediately negotiate a mutually satisfactory supplemental agreement
ACOA:	Must re-enter negotiations immediately
LTC:	Impasse exists and parties agree to pursue reasonable efforts to obtain a mutually satisfactory resolution
AVTECTA:	Must re-enter negotiations
TEAME:	Must re-enter negotiations immediately

**Note: No definition of “immediately” is provided for in the collective bargaining agreements.*

STATUS OF CONTRACTS BEFORE THE LEGISLATURE

IBU	MEBA	MMP	ACOA	LTC and TEAME
<p>Contract expired June 30, 2014</p> <p>Agreement reached July 2014, ratified by members.</p> <p>Contract pending Legislative approval.</p> <p><u>Terms Include:</u> COLA 0-1-2% Health Insurance Training Fund Pass Privileges</p>	<p>Contract expired June 30, 2014.</p> <p>Agreement reached July 2014.</p> <p>Contract has not been sent to members for a vote.</p> <p>Disagreement before the parties regarding terms, Unfair Labor Practice filings by both the State and MEBA.</p> <p>Contract pending Legislative approval.</p> <p><u>Terms Include:</u> COLA 0-1-2% Health Insurance Pension Contribution Training Fund Pass Privileges</p>	<p>Contract expired June 30, 2014.</p> <p>Agreement reached July 2014.</p> <p>Agreement not ratified by members.</p> <p>Interest arbitration took place December 2014 (decision and award January 2015).</p> <p>Contract pending Legislative approval.</p> <p><u>Terms Include:</u> COLA 0-1-2% Health Insurance Training Fund Pass Privileges</p>	<p>Contract expires June 30, 2015.</p> <p>Agreement reached October 2014.</p> <p>Contract pending Legislative approval.</p> <p><u>Terms Include:</u> COLA 1-1-2.25% Health Insurance Life Insurance Leave Provisions</p>	<p>Contracts expire June 30, 2015.</p> <p>Bargaining on-going.</p>

The seal of the Department of Administration, State of Alaska, is a large, faint, circular emblem in the background. It features a central shield with a mountain range and a sun. The text "DEPARTMENT OF ADMINISTRATION" is arched across the top, and "ALASKANS PROUDLY SERVING ALASKANS" is arched across the bottom.

Thank you!

Visit www.DOA.alaska.gov

for more information about our department.

Questions?

BARGAINING UNIT SUMMARY

Alaska State Employees Association

Represents the General Government Unit (GGU)



Total Bargaining Unit Members	9,000
Average age of all members:	44
Average years of service:	7.81
Average monthly pay for permanent full-time member:	\$4,831.03
Average yearly pay for permanent full-time member:	\$57,976.36
Total overtime for all members:	\$19,799,269.07
Total FY14 gross pay for all members:	\$443,191,336.19

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Alaska Public Employees Association

Represents the Supervisory Bargaining Unit (SU)



Total Bargaining Unit Members	2,281
Average age of all members:	48
Average years of service:	13.24
Average monthly pay for permanent full-time member:	\$6,987.84
Average yearly pay for permanent full-time member:	\$83,854.08
Total overtime for all members:	\$850,274.95
Total FY14 gross pay for all members:	\$186,420,957.83

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Confidential Employees Association

Represents the Confidential Unit (KK)



Total Bargaining Unit Members	210
Average age of all members:	42
Average years of service:	8.01
Average monthly pay for permanent full-time member:	\$4,909.83
Average yearly pay for permanent full-time member:	\$58,917.96
Total overtime for all members:	\$91,330.82
Total FY14 gross pay for all members:	\$10,402,062.08

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Inlandboatmen's Union of the Pacific

IBU Bargaining Unit



Total Bargaining Unit Members	623
Average age of all members:	48
Average years of service:	7.08
Average monthly pay for permanent full-time member:	\$4,401.67
Average yearly pay for permanent full-time member:	\$52,820.04
Total overtime for all members:	\$3,996,290.81
Total FY14 gross pay for all members:	\$31,852,636.82

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Marine Engineers' Beneficial Association

MEBA Bargaining Unit



Total Bargaining Unit Members	105
Average age of all members:	50
Average years of service:	6.31
Average monthly pay for permanent full-time member:	\$6118.12
Average yearly pay for permanent full-time member:	\$73,417.44
Total overtime for all members:	\$1,177,392.87
Total FY14 gross pay for all members:	\$10,396,480.32

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Masters, Mates & Pilots

MMP Bargaining Unit



Total Bargaining Unit Members	98
Average age of all members:	44
Average years of service:	11.39
Average monthly pay for permanent full-time member:	\$7,000.82
Average yearly pay for permanent full-time member:	\$84,009.84
Total overtime for all members:	\$1,090,701.63
Total FY14 gross pay for all members:	\$10,605,132.13

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Public Safety Employees Association

PSEA Bargaining Unit



Total Bargaining Unit Members	436 (AA), 90 (AP)
Average age of all members:	40 (AA), 38 (AP)
Average years of service:	10.01 (AA), 8.44 (AP)
Avg. monthly pay for permanent full-time member:	\$7,230.89 (AA) \$6,063.35 (AP)
Avg. yearly pay for permanent full-time member:	\$86,770.68 (AA) \$72,760.20 (AP)
Total overtime for all members:	\$5,222,548.91 (AA) \$866,974.88 (AP)
Total FY14 gross pay for all members:	\$44,121,875.27 (AA) \$6,491,197.43 (AP)

** Includes premium pays, excludes benefits*

**AA – DPS;
AP – DOTPF**

BARGAINING UNIT SUMMARY



Alaska Correctional Officers Association

ACOA Bargaining Unit

Total Bargaining Unit Members	945
Average age of all members:	41
Average years of service:	7.37
Average monthly pay for permanent full-time member:	\$5,158.97
Average yearly pay for permanent full-time member:	\$61,907.64
Total overtime for all members:	\$4,008,004.44
Total FY14 gross pay for all members:	\$59,145,887.37

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Labor Trades and Crafts

LTC Bargaining Unit

Total Bargaining Unit Members	1819
Average age of all members:	46
Average years of service:	8.57
Average monthly pay for permanent full-time member:	\$4,570.99
Average yearly pay for permanent full-time member:	\$54,851.88
Total overtime for all members:	\$11,083,734.77
Total FY14 gross pay for all members:	\$93,589,462.98

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Alaska Vocational Technical Teachers Association

AVTECA Bargaining Unit

Total Bargaining Unit Members	35
Average age of all members:	51
Average years of service:	8.65
Average monthly pay for permanent full-time member:	\$6,555.42
Average yearly pay for permanent full-time member:	\$78,665.04
Total FY14 gross pay for all members:	\$2,586,410.57

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Teachers Association of Mt. Edgecumbe

TEAME Bargaining Unit

Total Bargaining Unit Members	27
Average age of all members:	43
Average years of service:	8.30
Average monthly pay for permanent full-time member:	\$5,336.50
Average yearly pay for permanent full-time member:	\$64,038.60
Total FY14 gross pay for all members:	\$1,755,426.51

** Includes premium pays, excludes benefits*